

AMENDED IN SENATE JUNE 7, 2011

AMENDED IN ASSEMBLY APRIL 26, 2011

AMENDED IN ASSEMBLY MARCH 21, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 470

Introduced by Assembly Member Halderman

February 15, 2011

An act to amend Sections 41081 and 44229 of the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL’S DIGEST

AB 470, as amended, Halderman. Air pollution districts: fees: schoolbus retrofits.

Existing law authorizes specified air pollution control and air quality management districts to adopt a fee applicable to motor vehicles registered in counties within that district, and requires the fee to be collected by the Department of Motor Vehicles. Existing law, until January 1, 2015, authorizes the amount of the fee to be up to \$6. Existing law requires the revenues from the first \$4 of the fee to be used for specified purposes. Existing law requires that the revenues from the last \$2 of the fee to be used for specified programs that the district determines remediate air pollution harms created by motor vehicles, including purchases of new schoolbuses pursuant to the State Air Resources Board’s Lower-Emission School Bus Program.

This bill would additionally authorize a district based on that determination to use the last \$2 of the fee to retrofit emissions control equipment for existing schoolbuses pursuant to the State Air Resources Board’s Lower-Emission School Bus Program.

This bill would incorporate additional changes in Section 44229 of the Health and Safety Code, proposed by AB 462, to be operative only if AB 462 and this bill are both chaptered and become effective January 1, 2012, and this bill is chaptered last.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 41081 of the Health and Safety Code, as
2 amended by Section 2 of Chapter 707 of the Statutes of 2004, is
3 amended to read:

4 41081. (a) Subject to Article 3.7 (commencing with Section
5 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the
6 Government Code, or with the approval of the board of supervisors
7 of each county included, in whole or in part, within the Sacramento
8 district, the Sacramento district board may adopt a surcharge on
9 the motor vehicle registration fees applicable to all motor vehicles
10 registered in those counties within the Sacramento district whose
11 boards of supervisors have adopted a resolution approving the
12 surcharge. The surcharge shall be collected by the Department of
13 Motor Vehicles and, after deducting the department's
14 administrative costs, the remaining funds shall be transferred to
15 the Sacramento district. Prior to the adoption of any surcharge
16 pursuant to this subdivision, the district board shall make a finding
17 that any funds allocated to the district as a result of the adoption
18 of a county transportation sales and use tax are insufficient to carry
19 out the purposes of this chapter.

20 (b) The surcharge shall not exceed six dollars (\$6).

21 (c) After consulting with the Department of Motor Vehicles on
22 the feasibility thereof, the Sacramento district board may provide,
23 in the surcharge adopted pursuant to subdivision (a), to exempt
24 from all or part of the surcharge any category of low-emission
25 motor vehicle.

26 (d) Funds received by the Sacramento district pursuant to this
27 section shall be used by that district as follows:

28 (1) The revenues resulting from the first four dollars (\$4) of
29 each surcharge shall be used to implement reductions in emissions
30 from vehicular sources, including, but not limited to, a clean fuels
31 program and motor vehicle use reduction measures.

1 (2) The revenues resulting from the next two dollars (\$2) of
2 each surcharge shall be used to implement the following programs
3 that achieve emission reductions from vehicular sources and
4 off-road engines, to the extent that the district determines the
5 program remediates air pollution harms created by motor vehicles
6 on which the surcharge is imposed:

7 (A) Projects eligible for grants under the Carl Moyer Memorial
8 Air Quality Standards Attainment Program (Chapter 9
9 (commencing with Section 44275) of Part 5).

10 (B) The new purchase, retrofit, repower, or add-on of equipment
11 for previously unregulated agricultural sources of air pollution, as
12 defined in Section 39011.5, within the Sacramento district, for a
13 minimum of three years from the date of adoption of an applicable
14 rule or standard, or until the compliance date of that rule or
15 standard, whichever is later, if the state board has determined that
16 the rule or standard complies with Sections 40913, 40914, and
17 41503.1, after which period of time, a new purchase, retrofit,
18 repower, or add-on of equipment shall not be funded pursuant to
19 this chapter. The district shall follow any guidelines developed
20 under subdivision (a) of Section 44287 for awarding grants under
21 this program.

22 (C) The purchase of new, or retrofit of emissions control
23 equipment for existing, schoolbuses pursuant to the
24 Lower-Emission School Bus Program adopted by the state board.

25 (D) An accelerated vehicle retirement or repair program that is
26 adopted by the state board pursuant to authority granted hereafter
27 by the Legislature by statute.

28 (e) Not more than 5 percent of the funds collected pursuant to
29 this section shall be used by the district for administrative expenses.

30 (f) A project funded by the program shall not be used for credit
31 under any state or federal emissions averaging, banking, or trading
32 program. An emission reduction generated by the program shall
33 not be used as marketable emission reduction credits or to offset
34 any emission reduction obligation of any person or entity. Projects
35 involving new engines that would otherwise generate marketable
36 credits under state or federal averaging, banking, and trading
37 programs shall include transfer of credits to the engine end user
38 and retirement of those credits toward reducing air emissions in
39 order to qualify for funding under the program. A purchase of a
40 low-emission vehicle or of equipment pursuant to a corporate or

1 a controlling board's policy, but not otherwise required by law,
2 shall generate surplus emissions reductions and may be funded by
3 the program.

4 (g) This section shall remain in effect only until January 1, 2015,
5 and as of that date is repealed, unless a later enacted statute, that
6 is enacted before January 1, 2015, deletes or extends that date.

7 SEC. 2. Section 44229 of the Health and Safety Code, as
8 amended by Section 4 of Chapter 707 of the Statutes of 2004, is
9 amended to read:

10 44229. (a) After deducting all administrative costs it incurs
11 through collection of fees pursuant to Section 44227, the
12 Department of Motor Vehicles shall distribute the revenues to
13 districts, which shall use the revenues resulting from the first four
14 dollars (\$4) of each fee imposed to reduce air pollution from motor
15 vehicles and to carry out related planning, monitoring, enforcement,
16 and technical studies necessary for implementation of the California
17 Clean Air Act of 1988. Fees collected by the Department of Motor
18 Vehicles pursuant to this chapter shall be distributed to districts
19 based upon the amount of fees collected from motor vehicles
20 registered within each district.

21 (b) Notwithstanding the provisions of Sections 44241 and 44243,
22 a district shall use the revenues resulting from the next two dollars
23 (\$2) of each fee imposed pursuant to Section 44227 to implement
24 the following programs that the district determines remediate air
25 pollution harms created by motor vehicles on which the surcharge
26 is imposed:

27 (1) Projects eligible for grants under the Carl Moyer Memorial
28 Air Quality Standards Attainment Program (Chapter 9
29 (commencing with Section 44275) of Part 5).

30 (2) The new purchase, retrofit, repower, or add-on equipment
31 for previously unregulated agricultural sources of air pollution, as
32 defined in Section 39011.5, for a minimum of three years from
33 the date of adoption of an applicable rule or standard, or until the
34 compliance date of that rule or standard, whichever is later, if the
35 state board has determined that the rule or standard complies with
36 Sections 40913, 40914, and 41503.1, after which period of time,
37 a new purchase, retrofit, repower, or add-on of equipment shall
38 not be funded pursuant to this chapter. The districts shall follow
39 any guidelines developed under subdivision (a) of Section 44287
40 for awarding grants under this program.

1 (3) The purchase of new, or retrofit of emissions control
2 equipment for existing, schoolbuses pursuant to the
3 Lower-Emission School Bus Program adopted by the state board.

4 (4) An accelerated vehicle retirement or repair program that is
5 adopted by the state board pursuant to authority granted hereafter
6 by the Legislature by statute.

7 (c) The Department of Motor Vehicles may annually expend
8 not more than 1 percent of the fees collected pursuant to Section
9 44227 on administrative costs.

10 (d) A project funded by the program shall not be used for credit
11 under any state or federal emissions averaging, banking, or trading
12 program. An emission reduction generated by the program shall
13 not be used as marketable emission reduction credits or to offset
14 any emission reduction obligation of any person or entity. Projects
15 involving new engines that would otherwise generate marketable
16 credits under state or federal averaging, banking, and trading
17 programs shall include transfer of credits to the engine end user
18 and retirement of those credits toward reducing air emissions in
19 order to qualify for funding under the program. A purchase of a
20 low-emission vehicle or of equipment pursuant to a corporate or
21 a controlling board's policy, but not otherwise required by law,
22 shall generate surplus emissions reductions and may be funded by
23 the program.

24 (e) This section shall remain in effect only until January 1, 2015,
25 and as of that date is repealed, unless a later enacted statute, that
26 is enacted before January 1, 2015, deletes or extends that date.

27 *SEC. 2.5. Section 44229 of the Health and Safety Code, as*
28 *amended by Section 4 of Chapter 707 of the Statutes of 2004, is*
29 *amended to read:*

30 44229. (a) After deducting all administrative costs it incurs
31 through collection of fees pursuant to Section 44227, the
32 Department of Motor Vehicles shall distribute the revenues to
33 districts, which shall use the revenues resulting from the first four
34 dollars (\$4) of each fee imposed to reduce air pollution from motor
35 vehicles and to carry out related planning, monitoring, enforcement,
36 and technical studies necessary for implementation of the California
37 Clean Air Act of 1988. Fees collected by the Department of Motor
38 Vehicles pursuant to this chapter shall be distributed to districts
39 based upon the amount of fees collected from motor vehicles
40 registered within each district.

(b) Notwithstanding the provisions of ~~Section~~ *Sections* 44241 and ~~Section~~ 44243, a district shall use the revenues resulting from the next two dollars (\$2) of each fee imposed pursuant to Section 44227 to implement the following programs that the district determines remediate air pollution harms created by motor vehicles on which the surcharge is imposed:

(1) Projects eligible for grants under the Carl Moyer Memorial Air Quality Standards Attainment Program (Chapter 9 (commencing with Section 44275) of Part 5).

(2) The new purchase, retrofit, repower, or add-on equipment for previously unregulated agricultural sources of air pollution, as defined in Section 39011.5, for a minimum of three years from the date of adoption of an applicable rule or standard, or until the compliance date of that rule or standard, whichever is later, if the state board has determined that the rule or standard complies with Sections 40913, 40914, and 41503.1, after which period of time, a new purchase, retrofit, repower, or add-on of equipment shall not be funded pursuant to this chapter. The districts shall follow any guidelines developed under subdivision (a) of Section 44287 for awarding grants under this program.

(3) ~~The new purchase of new, or retrofit of emissions control equipment for existing,~~ schoolbuses pursuant to the Lower-Emission School Bus Program adopted by the state board.

(4) An accelerated vehicle retirement or repair program that is adopted by the state board pursuant to authority granted hereafter by the Legislature by statute.

(5) *The replacement of onboard natural gas fuel tanks on schoolbuses owned by a school district that are 14 years or older, not to exceed twenty thousand dollars (\$20,000) per bus.*

(6) *The enhancement of deteriorating natural gas fueling dispensers of fueling infrastructure operated by a school district with a one-time funding amount not to exceed five hundred dollars (\$500) per dispenser.*

(c) The Department of Motor Vehicles may annually expend not more than ~~the following percentages~~ *1 percent* of the fees collected pursuant to Section 44227 on administrative ~~costs~~: *costs*.

~~(1) During the first year after the operative date of this chapter, not more than 5 percent of the fees collected may be used for administrative costs.~~

1 ~~(2) During the second year after the operative date of this~~
2 ~~chapter, not more than 3 percent of the fees collected may be used~~
3 ~~for administrative costs.~~

4 ~~(3) During any year subsequent to the second year after the~~
5 ~~operative date of this chapter, not more than 1 percent of the fees~~
6 ~~collected may be used for administrative costs.~~

7 ~~(d) No~~ A project funded by the program shall *not* be used for
8 credit under any state or federal emissions averaging, banking, or
9 trading program. ~~No~~ An emission reduction generated by the
10 program shall *not* be used as marketable emission reduction credits
11 or to offset any emission reduction obligation of any person or
12 entity. Projects involving new engines that would otherwise
13 generate marketable credits under state or federal averaging,
14 banking, and trading programs shall include transfer of credits to
15 the engine end user and retirement of those credits toward reducing
16 air emissions in order to ~~quality~~ *qualify* for funding under the
17 program. A purchase of a ~~low-emission~~ *low-emission* vehicle or of
18 equipment pursuant to a corporate or a controlling board's policy,
19 but not otherwise required by law, shall generate surplus emissions
20 reductions and may be funded by the program.

21 (e) This section shall remain in effect only until January 1, 2015,
22 and as of that date is repealed, unless a later enacted statute, that
23 is enacted before January 1, 2015, deletes or extends that date.

24 *SEC. 3. Section 2.5 of this bill incorporates amendments to*
25 *Section 44229 of the Health and Safety Code proposed by both*
26 *this bill and AB 462. It shall only become operative if (1) both bills*
27 *are enacted and become effective on or before January 1, 2012,*
28 *(2) each bill amends Section 44229 of the Health and Safety Code,*
29 *and (3) this bill is enacted after AB 462, in which case Section 2*
30 *of this bill shall not become operative.*